



Punjab Government Gazette

EXTRAORDINARY

Published by Authority

CHANDIGARH, THURSDAY, JUNE 30, 2016
(ASADHA 9, 1938 SAKA)

LEGISLATIVE SUPPLEMENT

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PART III

GOVERNMENT OF PUNJAB

**DEPARTMENT OF LOCAL GOVERNMENT
(LOCAL GOVERNMENT – 2 BRANCH)**

NOTIFICATION

The 28th June, 2016

No.G.S.R.46/P.A.4/1922/S.73/Amd.(6)/2016.- In exercise of the powers conferred by clause (xiii) of sub-section (1) of section 73 of the Punjab Town Improvement Act, 1922 (Punjab Act No. 4 of 1922), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to make the following rules further to amend the Punjab Town Improvement (Utilization of Land and Allotment of Plots) Rules, 1983, namely:-

RULES

1. (1) These rules may be called the Punjab Town Improvement (Utilization of Land and Allotment of Plots) (Amendment) Rules, 2016.

(2) They shall come into force on and with effect from the date of their publication in the Official Gazette.

2. In the Punjab Town Improvement (Utilization of Land and Allotment of Plots) Rules, 1983 (hereinafter referred to as the said rules), in rule 2,-

(i) after clause (d), the following clause shall be inserted, namely:-

"(dd) "market value" means the minimum value of the land as fixed by the Collector under the Punjab Stamp (Dealing of Undervalued Instruments) Rules, 1983;" ; and

(ii) after clause (e), the following clause shall be inserted, namely:-

"(ee) "State Government" means the Government of the State of Punjab in the Department of Local Government ;" .

3. In the said rules, in rule 4,-

(i) for the existing heading, the following heading shall be substituted namely :-

"Reservation of residential plots or multi-storeyed houses and commercial plots";

(ii) for sub-rule (1), the following sub-rule shall be substituted, namely:-

"(1) Subject to the provisions of rule 10, the residential plots or multi-storyed houses shall be reserved for allotment to the following categories of persons, in the manner as

specified in the Table given below, namely :-

TABLE

Serial No.	Category of persons	Percentage of reservation
1	Freedom fighters, who are having domicile of the State of Punjab and who have been awarded Tamra Patra by the State Government or their widows (if such freeddom fighter has died) or (if both the parents have died) their children.	Two percent
2	Defence Personnel, Border Security Force Personnel, members of the Central Reserve Police Force, Ex-servicemen and War Widows, who are domicile of the State of Punjab.	Four percent
3	Legal heirs of Defence Personnel, Border Security Force Personnel, members of the Central Reserve Police Force personnel killed on duty. Note - The expression "Ex-serviceman" is a person, who is domicile of the State of Punjab and has served in any rank, whether as a combatant or as a non-combatant, in Border Security Force or Central Reserve Police Force [<i>except the Assam Rifles, Lok Sahayak Sena, Jammu and Kashmir Militia, Territorial Army, Defence Security Corps and the General Reserve Engineering Force</i>], for a continuous period of not less than six months after attestation and has been released otherwise than by way of dismissal or discharge on account of misconduct or inefficiency.	Two percent.
4	Disabled Soldiers of Punjab (with hundred percent disability)	One percent.
5	Riot affected persons or Terrorist victims. Note 1 – For the purpose of this item,- (i) 'Riot affected person' means a person, who has migrated to the State of Punjab from any other part of the country and possesses a red card issued by the Deputy Commissioner concerned provided such person has not been allotted a plot or house under the riot affected persons category either at Delhi or at any other place in India; and (ii) 'Terrorist victim' means a person who is domicile of the State of Punjab and possesses a certificate issued by the Deputy Commissioner concerned provided such person has not been allotted a plot or house under the category of terrorist victim.	Five percent.

Note 2 - The reservation under this category shall be extended by the State Government as per the policy framed in this regard from time to time.

6	Gallantry Award Winners, namely :-	Two percent.
	(a) Param Vir Chakra	
	(b) Maha Vir Chakra	
	(c) Vir Chakra	
	(d) Ashok Chakra	
	(e) Kirti Chakra	
	(f) Shaurya Chakra	
	(g) President Police Medal	
	(h) Police Medals	
	(i) Sena Medal or Nau Sena	

Medal or Vayu Sena Medal, as the case may be.

Note 1 - In case of posthumous award, the next of kin (i.e. the widow; if award winner was married and if unmarried then his mother or father, as the case may be) shall be eligible to avail the plot or house, as the case may be.

Note 2 - The order of precedence for allotment under this category shall be maintained as specified above.

7	Sports persons, who have won a medal at Common Wealth or Asian or Olympic Games.	Two percent
8	Disabled persons (as defined in the Persons with Disabilities (Equal opportunities, Protection of Rights and Full Participation) Act, 1995), possessing a certificate issued in this regard by the Competent Authority.	Three percent.
9	Persons belonging to the Scheduled Castes or Scheduled Tribes (possessing a certificate issued in this regard by the Competent Authority.	Fifteen percent:

Provided that the unutilized plots or houses, as the case may be, reserved for the categories of persons specified above, because of non-availability of eligible persons, shall be open for allotment to the persons other than the aforesaid categories of persons." ; and

(iii) after sub- rule (4), the following sub-rule shall be added, namely:-

"(5) Commercial plots carved out in a Scheme, shall be reserved to the extent of three

percent for the persons with disabilities (not less than forty percent), as certified by the Competent Authority under the Persons with Disabilities (Equal Opportunity, Protection of Rights, and Full Participation) Act, 1995. In case of insufficient applications received under this category, then the said plots shall be sold to general category."

4. In the said rules, for rules 5, 6 and 7, the following rules shall be substituted, namely:-

"5. Fixation of reserve sale price.- (1) The reserve sale price (which shall not be less than the market value) of residential plots, shall be fixed by the Trust as per the formula given in the Annexure appended to these rules:

Provided that the said price, shall be revised every year with a minimum increase of not less than seven percent per annum:

Provided further that if the plots could not be sold in two consecutive auctions (at a gap of not less than forty-five days), the reserve sale price may be reduced by twenty percent, with the prior approval of the State Government:

Provided further that if the said plots could not be sold even with the reduced price through auction, the reserve sale price may be further reduced by twenty per cent, with the prior approval of the State Government:

Provided further that reserve sale price in any case shall not be less than the market value at the relevant time.

(2) The reserve sale price of a multi-storeyed house, shall be determined by the Trust, keeping in view the cost incurred thereon and the reserve sale price of the land.

(3) The reserve sale price in respect of commercial plot shall be fixed by the Trust, which shall not be less than double the price of the residential plot, subject, however, to the condition that the same shall not be less than the market value at the relevant time.

6. Sale price.- (1) The sale price in respect of a residential plot and multi storeyed house for allotment through draw of lots shall be, in case of plots measuring,-

- (i) upto 100 square yards and multi-storyed houses – the reserve sale price;
- (ii) more than 100 square yards upto 200 square yards - 125 per cent of the reserve sale price;
- (iii) more than 200 square yards upto 300 square yards – 150 per cent of the reserve sale price; and
- (iv) more than 300 square yards – 200 per cent of the reserve sale price.

(2) The land for the institutional purposes, shall be allotted by the Trust on the reserve sale price as specified in sub-rule (1):

Provided that where larger public interest of high importance is involved, the Trust may, with the approval of the State Government, allot land on an amount lesser than the reserve sale price or free of cost, as the case may be:

Provided further that the land allotted to any institution shall exclusively be used for the purpose for which it has been allotted, failing which the allotment shall be deemed to have been cancelled.

(3) The reserve sale price for open auction of a plot shall be the amount announced by the Trust, at the time of auction.

(4) In case of a corner plot, an additional amount to the tune of ten per cent of the reserve sale price shall be payable by the allottee.

(5) Each allottee, shall be liable to pay cancer cess and other cesses, if any, as fixed by State Government from time to time.

7. **Mode of payment of sale price.-** (1) The sale price shall be payable in the following manner, namely:-

(A) In case of multi-storeyed houses,-

- (i) fifteen percent of the sale price of such house, (after adjusting the amount already paid as earnest money), shall be payable within a period of thirty days from the date of allotment. However, the said amount may be deposited within a period of next thirty days subject to the payment of three percent as penalty of the said amount. If the said amount is not paid within the total period of sixty days, the allotment shall be deemed to have been cancelled and the amount already deposited shall stand forfeited; and
- (ii) the remaining amount shall be payable in sixty equated monthly instalments with simple interest at the rate of twelve percent per annum.

(B) In other cases,-

- (i) ten percent -
 - (a) in the case of open auction, sale price shall be deposited immediately after the auction, after adjusting the amount already paid as earnest money; and
 - (b) in the case of allotment by draw of lots or otherwise, sale price shall have to be deposited within a period of fifteen days of such allotment after adjusting the amount already paid as earnest money;
- (ii) fifteen percent shall be deposited within a period of thirty days from the date of auction or the date of allotment, as the case may be:

Provided that the said amount may be deposited within a period of next thirty days, however, subject to the payment of three percent of the amount as penalty:

Provided further that if the said amount is not paid even within the total period of sixty days, the allotment shall be deemed to have been cancelled and the amount already deposited shall stand forfeited ; and

- (iii) the remaining amount (seventy five percent) shall be deposited in four equal annual installments, with simple interest at the rate of twelve percent per annum.

(2) Five percent rebate shall be given on the total sale price, if entire payment is made in lump sum, by an allottee, within a period of thirty days from the date of auction or allotment, as the case may be.

(3) If delay is caused in making the due payment of installments, in addition to the normal rate of interest payable as per the allotment terms and conditions, penalty at the rates shown in the following Table shall have to be paid:-

TABLE

Period of delay	Rate of penalty
Upto one year	Three percent of the amount due
Beyond one year but upto two years	Four percent of the amount due
Beyond two years	Five percent of the amount due.

(4) In case the area of a plot is found more than the size of allotted plot, due to some technical error in measurements or otherwise, and the excess area,-

- (i) is lesser than the size of an independent plot, matching the size of the plot or of any other size, so carved out in Scheme in such area; or
- (ii) it cannot be used as a plot of some other size in such area; or
- (iii) it cannot be used for any other purpose,

it may be allotted to the person with whose plot such excess area adjoins, at a price, which shall be double the market value or double the last auction price, in any Scheme, in such area, whichever is higher."

5. In the said rules, in rule 8, for sub-rule (1), the following sub-rule shall be substituted, namely :-

“(1) Unless otherwise provided in these rules, the Trust shall dispose of residential plots, multi-storeyed houses or commercial plots/other properties in a Scheme in the manner

shown in the Table below:-

TABLE			
Serial No.	Category of plot or house	Manner of allotment by	
		auction	draw of lots
1	Residential plots up to 100 square yards size	Eighty percent	upto twenty percent
2	Residential plots beyond 100 square yards size	Fifty percent	upto fifty percent
3	Multi-storeyed houses	Fifty percent	upto fifty percent
4	Commercial plots	Hundred percent	nil:

Provided that in the case of a local displaced person, a residential plot or a multi-storeyed house, shall be allotted in the manner as specified in sub-rule (2) of rule 4.”.

6. In the said rules, for rule 10, the following rule shall be substituted, namely :-

“10. **Eligibility of allotment.** – (1) A person, whose gross monthly income is upto an amount of rupees twenty thousand, shall be eligible for allotment of a residential plot or a multi-storeyed house, as the case may be, under the ‘Low Income Group’ category.

(2) A person, whose gross monthly income is more than an amount of rupees twenty thousand, shall be eligible for allotment of any category of a residential plot or a multi-storeyed house, other than the ‘Low Income Group’ category.

(3) No person, shall make an application for allotment of a residential plot or multi-storeyed house, who, either himself or his spouse jointly or severally, owns a residential plot or house (other than an ancestral house), in the Union Territory of Chandigarh or in any Urban Estate declared as such under the Punjab Urban Estates (Development and Regulation) Act, 1964 or in any area covered under any Scheme framed under the said Act or at Panchkula (Haryana) or in any scheme of a Trust in the State of Punjab or who being owner as such has disposed of a residential plot or multi-storeyed house, before or after the commencement of these rules.”.

7. In the said rules, in rule 11, for sub-rule (3), the following sub-rule shall be substituted, namely :-

“(3) No application under sub-rule (2), shall be considered complete for a residential plot, multi-storeyed house or commercial plot, as the case may be, unless it is accompanied

with the earnest money by a bank draft payable in favour of the Trust, of such amount as specified below, namely:-

- (i) rupees fifty thousand, in the case of a residential plot or multi-storeyed house; and
- (ii) rupees one lac or one percent of the reserve sale price, whichever is higher, in the case of a commercial plot.”.

8. In the said rules, for rule 12, the following rule shall be substituted, namely:-

“12. **Manner for draw of lots.-** A draw of lots for allotment of plots or multi-storeyed houses or commercial plots, shall be held by the Trust, on such date, as may be notified by it.”.

9. In the said rules, for rule 13, the following rule shall be substituted, namely:-

“13. **Allotment and ancillary matters.-** (1) An applicant entitled to get a residential plot or a multi-storeyed house or commercial plot on the basis of a draw of lots held under rule 12 or otherwise, shall be issued an allotment letter in Form ‘D’ (hereinafter referred to as the allotment letter) and such allotment shall be subject to the conditions specified therein.

(2) The allottee shall be required to execute agreement within a period of thirty days from the date of issue of the allotment letter with the Executive Officer of the Trust, otherwise penalty at the rate of 0.1% of the total sale price, subject to a minimum of one thousand rupees, shall be chargeable for the period of delay of a month or part thereof.

(3) (a) The allottee may get the property transferred in the name of another person(s) as many times as he opts, within the time fixed for payment of installments of the said property (*i.e. if the allotment letter permits payment of installments upto 30th January 2017, then such transfers can be got made upto 30th January 2017 only*), by paying transfer fee at the rate of 2.5 per cent of the total sale price or the market value, whichever is higher, subject to the condition that such transfer fee shall not be less than the amount shown in the Table given below:-

TABLE

(i) RESIDENTIAL	
Area of plot	Minimum transfer fee (in rupees)
Measuring upto 150 square yards	5,000/-
Measuring more than 150 square yards upto 200 square yards	7,500/-
Measuring more than 200 square yards upto 250 square yards	10,000/-
Measuring more than 250 square yards upto 300 square yards	15,000/-

Measuring more than 300 square yards upto 350 square yards	20,000/-
Measuring more than 350 square yards upto 400 square yards	30,000/-
Measuring more than 400 square yards	40,000/-
(ii) COMMERCIAL	
Category	Minimum transfer fee (in rupees)
Booth/ Booth sites	25,000/-
Shop-cum-office/ shop-cum-flat or sites or any other such category	75,000/-.

(b) No such transfer shall be allowed after the conveyance deed has been executed or, in case of plot/site, construction has been made thereon.

(4) The allottee may get the property transferred in the name of his family members (which means spouse, children and parents) by paying transfer fee as specified in the Table given below:-

TABLE

(i) RESIDENTIAL	
Area of plot	Minimum transfer fee (in rupees)
Measuring upto 150 square yards	2,000/-
Measuring more than 150 square yards upto 200 square yards	3,000/-
Measuring more than 200 square yards upto 250 square yards	4,000/-
Measuring more than 250 square yards upto 300 square yards	5,000/-
Measuring more than 300 square yards upto 350 square yards	6,000/-
Measuring more than 350 square yards upto 400 square yards	8000/-
Measuring more than 400 square yards	10,000/-
(ii) COMMERCIAL	
Category	Minimum transfer fee (in rupees)
Booth or booth sites	10,000/-
Shop-cum-office/ shop-cum-flat or sites or any other such category	30,000/-.

(5) (a) The fee for addition /deletion of name of spouse, record entry, agreement, issue of transfer certificate/ no objection certificate, permission to mortgagee shall be as given in the Table below:-

TABLE

	For Addition/ Deletion of name of spouse, record entry, agreement (in rupees)	For other cases (in rupees)
Residential property	2,000/-	1,000/-
Commercial property	5,000/-	2,000/-.

(b) Such certificate(s) may be issued by the Executive Officer of the Trust after receipt of requisite fee.

(c) No fee is to be charged to correct any clerical error in record, which occurred at the level of the Trust.

(6) Where an allottee fails to make the due payments as per the allotment letter, the Executive Officer of the Trust shall be required to place the matter before the Trust for taking appropriate action for resumption of the property, and the Trust shall resume the same, after giving an appropriate opportunity to the allottee, within a period of twelve months of the expiry of the date fixed for payment of last instalment in the allotment letter. However, the Trust shall not resume the property in case all the due payments, alongwith interest or penalty are received by it within such period of twelve months.

(7) In case of resumption of any property, fifty per cent of the actual principal amount paid by the allottee/ transferee may be refunded.

(8) An allottee or transferee, as the case may be, may prefer an appeal, against the orders of resumption of the property to the State Government, within a period of sixty days from the date of such resumption order, and the State Government may pass appropriate orders including restoring the said property, but subject to the payment of restoration charges, as may be considered appropriate.

(9) In case the Trust fails to handover the possession of sold / allotted plot / property to the buyer / allottee within the stipulated time mentioned in the allotment letter because of some court case or otherwise, it shall communicate the same within a period of ninety days of the allotment / auction to the said buyer / allottee, who may make an application for taking his earnest money or any other amount deposited with the Trust back within a period of three months from date of such intimation.

(10) The allottee or the transferee, as the case may be, shall complete the construction, after getting the building plan approved from the competent authority, within a period of three years from the date of possession of the plot, failing which the Trust may resume the plot. However, the said period may be extended, on year to year basis, subject to a maximum further period of twelve years, on written request and on payment of fee, which shall be percentage of the sale price under rule 6 [applicable on the first day of such extension] or percentage of auction price in case of allotment through auction, as the case may be, as specified in the Table given below:-

TABLE

Number of year from which fee is to be charged	Percentage of sale price under rule 6 applicable, on the first day of such extension, or percentage of auction price, in case of allotment through auction, as the case may be
4th year	Two per cent
5th year	Two per cent
6th year	Two and half per cent
7th year	Two and half per cent
8th year	Two and half per cent
9th year	Three per cent
10th year	Three per cent
11th year	Three and half per cent
12th year	Three and half per cent
13th year	Four per cent
14th year	Four per cent
15th year	Four per cent:

Provided that no fee shall be charged for extending the period of construction, if the land is allotted to any department of the State Government or the Central Government or any Public Sector Undertaking of the State Government or the Central Government.

(11) In case construction is not carried out on a plot till the end of fifteenth year, the Executive Officer of the Trust shall ensure that such property is resumed by the Trust after giving due notice of thirty days.

(12) An appeal against resumption order under sub-rule (11) shall lie with the State Government, which may be made within a period of sixty days from the date of receipt of copy of the

order of resumption. In case of acceptance of appeal by the State Government, extension fee at the rate of five per cent per annum shall be chargeable. The fee for the period of extension shall be paid by the allottee/transferee, as the case may be, within a period of thirty days from the due date and if paid late, penal interest at the rate of eighteen per cent per annum, be charged for the delayed payment. However, the State Government may decrease the rate of penalty or exempt it in deserving / genuine cases, such as :-

- (i) defence personnel posted at a far flung area, who is not in a position to complete the construction ; or
- (ii) allottee has died and his or her legal heir(s) are not in a position to raise the construction; or
- (iii) allottee is suffering from chronic disease.

Explanations:-

For the purposes of these rules, -

- (i) construction of one habitable room, kitchen, bath room and water-closet along with taking of connection of water supply and electricity, in case of residential buildings; and
- (ii) raising of twenty-five percent construction of the maximum permissible coverage area, in case of commercial or any other type of building,

shall be deemed to be a complete building.”.

10. In the said rules, for "FORM D", the following Form shall be substituted, namely :-

"FORM D

(See rule 13)

(Form of Allotment Order)

OFFICE OF IMPROVEMENT TRUST_____

Registered AD

To

Memo No. _____

Dated _____

Subject: Allotment of plot/house in Scheme_____

Reference your application dated for the allotment of a plot/house.

-
- (1) Plot No. _____ measuring _____ square yards/house No. _____ of the category of _____ has been allotted to you in _____ scheme.
- (2) The total sale price of the plot/house is Rs. _____ which shall be deposited in the account of the Trust, as specified in the rules.
- (3) The above price is subject to variation with reference to the actual measurement of the plot at site or enhancement of compensation by the Court, which shall be payable as additional price within a period of thirty days of the date of demand.
- (4) In case of failure to deposit the sale price as specified in the rules, you shall be liable to pay penal interest at the rate of eighteen percent on the amount due. In case, the payments are not made within a period of six months of having become due, the plot or house, as the case may be, may be resumed, which shall be restored to you on payment of upto-date installments, penal interest and percentage as penalty.
- (5) It shall be the responsibility of the allottee to deposit necessary installments of the plot/house, as indicated in the **Schedule** with the Trust on due dates. The Trust shall not be bound to issue any notice in this behalf.
- (6) You shall have to complete the building on the plot allotted to you within a period of three years from the date of taking possession of the plot or within a period of two years from the date of providing the basic civic amenities of water supply and approach path in the area, where the plot is situated, after taking prior approval of the Trust:
- Provided that if the construction is not made within the aforesaid stipulated period, ***this period may be got extended***, on year to year basis, upto a maximum period of twelve years, if the allottee deposits the prescribed non-construction fee with the Trust.
- (7) In case the construction is not made even within the enhanced period of twelve years, the Trust would be competent to resume the plot.
- (8) The allotment of the plot/house is liable to be cancelled if any of the declaration made in the application/affidavit for the allotment of plot/house is established to be incorrect.
- (9) You shall have to pay separately for any building material, trees, structures and compound wall, existing in the plot at the time of allotment of which compensation has been assessed and paid by the Trust in case you want to make use of the same, failing which the Trust shall have the right to remove or dispose of the same even after the delivery of possession.
- (10) The Trust shall not be responsible for leveling uneven sites.

(11) The allotment is subject to the provisions of the Punjab Town Improvement Act, 1922 and the Punjab Town Improvement (Utilisation of Land and Allotment of Plots) Rules, 1983, as amended from time to time, and you shall have to abide by the provisions of the same.

SCHEDULE

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Executive Officer,
Improvement Trust _____."

SATISH CHANDRA, IAS,
Additional Chief Secretary to Government Punjab,
Department of Local Government.